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CITY OF BREAUX BRIDGE, LOUISIANA

Financial Report

Year Ended June 30, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 12/23/09

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INDEPENDENT AUDITORS' REPORT

The Honorable Jack Dale Delhomme, Mayor
and Members of the Board of Aldermen
City of Breaux Bridge, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Breaux Bridge, Louisiana, as of and for the year ended June 30, 2009, which collectively comprise the basic financial statements of the City's primary government as listed in the table of contents. These financial statements are the responsibility of the City of Breaux Bridge, Louisiana's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements do not include financial data for the City's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for its component units. The City has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net assets, revenues, and expenses of the aggregate discretely presented component units would have been reported as \$333,508; \$86,748; \$246,760; \$280,309; and \$257,190; respectively.

In our opinion, because of the omission of the discretely presented component units, as discussed above, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the aggregate discretely presented component units of the City of Breaux Bridge, Louisiana, as of June 30, 2009, or the changes in financial position thereof for the year then ended.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Breaux Bridge, Louisiana, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 12, 2009, on our consideration of the City of Breaux Bridge, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and important for assessing the results of our audit.

The required supplementary information on pages 39 through 41 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The City of Breaux Bridge has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Breaux Bridge, Louisiana's basic financial statements. The other supplementary information section is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
November 12, 2009

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

CITY OF BREAUX BRIDGE

Statement of Net Assets June 30, 2009

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$4,347,879	\$1,523,272	\$ 5,871,151
Receivables, net	335,911	297,146	633,057
Internal balances	34,209	(34,209)	-
Due from other governmental units	145,975	-	145,975
Prepaid items	86,039	63,393	149,432
Total current assets	<u>4,950,013</u>	<u>1,849,602</u>	<u>6,799,615</u>
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing deposits	381,198	632,979	1,014,177
Capital assets, net	<u>5,826,179</u>	<u>7,178,643</u>	<u>13,004,822</u>
Total noncurrent assets	<u>6,207,377</u>	<u>7,811,622</u>	<u>14,018,999</u>
Total assets	<u>11,157,390</u>	<u>9,661,224</u>	<u>20,818,614</u>
LIABILITIES			
Current liabilities:			
Accounts, salaries and other payables	503,167	188,708	691,875
Note payable	<u>150,000</u>	<u>105,000</u>	<u>255,000</u>
Total current liabilities	<u>653,167</u>	<u>293,708</u>	<u>946,875</u>
Noncurrent liabilities:			
Customers' deposits payable	-	165,624	165,624
Note payable	<u>2,710,000</u>	<u>1,055,000</u>	<u>3,765,000</u>
Total noncurrent liabilities	<u>2,710,000</u>	<u>1,220,624</u>	<u>3,930,624</u>
Total liabilities	<u>3,363,167</u>	<u>1,514,332</u>	<u>4,877,499</u>
NET ASSETS			
Invested in capital assets, net of related debt	2,966,179	6,123,643	9,089,822
Restricted for debt service	228,312	340,605	568,917
Unrestricted	<u>4,599,732</u>	<u>1,682,644</u>	<u>6,282,376</u>
Total net assets	<u>\$7,794,223</u>	<u>\$8,146,892</u>	<u>\$ 15,941,115</u>

The accompanying notes are an integral part of this statement.

CITY OF BREAUX BRIDGE

Statement of Activities For the Year Ended June 30, 2009

	Program Revenues			Net (Expense) Revenues and Changes in Net Assets			
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 1,593,985	\$ 430,799	\$ 155,733	\$ -	\$ (1,007,453)	\$ -	\$ (1,007,453)
Public safety:							
Police	1,316,611	109,906	-	-	(1,206,705)	-	(1,206,705)
Streets	531,466	-	-	127,162	(404,304)	-	(404,304)
Sanitation	672,091	658,753	-	-	(13,338)	-	(13,338)
Parks and recreation	275,411	-	-	28,240	(247,171)	-	(247,171)
Interest on long-term debt	121,395	-	-	-	(121,395)	-	(121,395)
Total governmental activities	4,510,959	1,199,458	155,733	155,402	(3,000,366)	-	(3,000,366)
Business-type activities:							
Gas	598,033	667,704	-	-	-	69,671	69,671
Water	1,136,708	972,950	-	-	-	(163,760)	(163,760)
Sewer	525,321	486,857	-	-	-	(38,464)	(38,464)
Interest on long-term debt	54,825	-	-	-	-	(54,825)	(54,825)
Total business-type activities	2,314,887	2,127,511	-	-	-	(187,378)	(187,378)
Total	\$ 6,825,846	\$ 3,326,969	\$ 155,733	\$ 155,402	(3,000,366)	(187,378)	(3,187,744)
General revenues:							
Taxes -							
Property taxes, levied for general purposes					205,856	-	205,856
Sales and use taxes, levied for general purposes					2,328,595	-	2,328,595
Franchise taxes					396,356	-	396,356
Grants and contributions not restricted to specific programs -							
State sources					678,379	-	678,379
Interest and investment earnings					37,028	21,752	58,780
Miscellaneous					108,212	86,789	195,001
Transfers					400,000	(400,000)	-
Total general revenues and transfers					4,154,426	(291,459)	3,862,967
Change in net assets							
Net assets - July 1, 2008					1,154,060	(478,837)	675,223
					6,640,163	8,625,729	15,265,892
Net assets - June 30, 2009					\$ 7,794,223	\$ 8,146,892	\$ 15,941,115

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

MAJOR FUNDS

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Special Revenue Fund

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Sales Tax Fund -

To account for the receipt and use of proceeds of the City's 1% sales and use tax. These taxes may only be used for improvements and operation of specific public works and recreational facilities and to fund payment of the City's public improvement bonds.

Capital Projects Fund

To account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

2008 Street Construction Fund -

To account for a street improvements project. Financing is provided by the issuance of \$3,000,000 of street improvement bonds, series 2008.

Enterprise Fund

Utility Fund -

To account for the provision of gas, water, and sewer services to residents of the City and some residents of St. Martin Parish. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

NONMAJOR FUNDS

One Special Revenue Fund, three Capital Projects Funds, and two Debt Service Funds have been combined and are presented as the nonmajor funds. Information about each of these funds can be found on page 47.

Fiduciary Fund

Bond Fee Fund -

To account for the collection of bond fees and payment of these collections to various governmental agencies in accordance with applicable laws.

CITY OF BREAUX BRIDGE

Balance Sheet
Governmental Funds
June 30, 2009

	General	Sales Tax Special Revenue	2008 Street Construction Fund	Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and interest-bearing deposits	\$ 323,621	\$ 3,930,189	\$ 379,938	\$ 95,329	\$ 4,729,077
Receivables:					
Taxes and licenses	321	240,364	-	-	240,685
Due from other governmental units	145,975	-	-	-	145,975
Due from other funds	60,699	-	-	-	60,699
Special assessments	-	-	-	325	325
Other	94,900	-	-	-	94,900
Prepaid items	75,728	-	-	10,311	86,039
Total assets	<u>\$ 701,244</u>	<u>\$ 4,170,553</u>	<u>\$ 379,938</u>	<u>\$ 105,965</u>	<u>\$ 5,357,700</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued expenditures	\$ 311,123	-	\$ 152,886	\$ 30,110	\$ 494,119
Due to other funds	172	1,276	-	25,042	26,490
Deferred property assessments	-	-	-	325	325
Total liabilities	<u>311,295</u>	<u>1,276</u>	<u>152,886</u>	<u>55,477</u>	<u>520,934</u>
Fund balances -					
Reserved for:					
Prepaid items	75,728	-	-	10,311	86,039
Debt service	-	-	-	1,260	1,260
Unreserved, undesignated, reported in:					
General fund	314,221	-	-	-	314,221
Special revenue funds	-	4,169,277	-	11,314	4,180,591
Capital projects fund	-	-	227,052	27,603	254,655
Total fund balances	<u>389,949</u>	<u>4,169,277</u>	<u>227,052</u>	<u>50,488</u>	<u>4,836,766</u>
Total liabilities and fund balances	<u>\$ 701,244</u>	<u>\$ 4,170,553</u>	<u>\$ 379,938</u>	<u>\$ 105,965</u>	<u>\$ 5,357,700</u>

The accompanying notes are an integral part of this statement.

CITY OF BREAUX BRIDGE

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2009

Total fund balances for governmental funds at June 30, 2009 \$ 4,836,766

Total net assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Land	\$ 413,975	
Construction in progress	2,928,439	
Buildings and improvements, net of \$705,913 accumulated depreciation	784,334	
Equipment and vehicles, net of \$1,305,984 accumulated depreciation	1,032,806	
Infrastructure, net of \$82,372 accumulated depreciation	<u>666,625</u>	5,826,179

General long-term debt of governmental activities is not payable from current resources and, therefore, not reported in the funds. This debt is:

Bonds payable and underlying accrued interest	<u>(2,868,722)</u>
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2,957,457

Total net assets of governmental activities at June 30, 2009 \$ 7,794,223

The accompanying notes are an integral part of this statement.

CITY OF BREAUX BRIDGE

Statement of Revenues, Expenditures, and Changes in Fund Balances-
Governmental Funds
For the Year Ended June 30, 2009

	General	Sales Tax Special Revenue	2008 Street Construction Fund	Nonmajor Funds	Total
Revenues:					
Taxes	\$ 602,212	\$ 2,328,595	\$ -	\$ -	\$2,930,807
Licenses and permits	430,799	-	-	-	430,799
Grant	282,895	-	-	28,240	311,135
Intergovernmental	678,379	-	-	-	678,379
Charges for services	658,753	-	-	-	658,753
Fines and forfeits	109,906	-	-	-	109,906
Interest	-	15,603	21,425	-	37,028
Special assessment	-	-	-	325	325
Miscellaneous	102,701	-	-	5,497	108,198
Total revenues	<u>2,865,645</u>	<u>2,344,198</u>	<u>21,425</u>	<u>34,062</u>	<u>5,265,330</u>
Expenditures:					
Current -					
General government	1,473,413	46,963	-	-	1,520,376
Streets and bridges	437,678	-	-	-	437,678
Sanitation	672,091	-	-	-	672,091
Public safety -police	1,272,026	-	-	-	1,272,026
Culture and recreation	-	-	-	222,126	222,126
Debt service	-	-	-	252,672	252,672
Capital outlay	464,195	-	2,666,749	123,291	3,254,235
Total expenditures	<u>4,319,403</u>	<u>46,963</u>	<u>2,666,749</u>	<u>598,089</u>	<u>7,631,204</u>
Excess (deficiency) of revenues over expenditures	<u>(1,453,758)</u>	<u>2,297,235</u>	<u>(2,645,324)</u>	<u>(564,027)</u>	<u>(2,365,874)</u>
Other financing sources (uses):					
Operating transfers in	1,400,000	-	-	412,845	1,812,845
Operating transfers out	-	(1,412,845)	-	-	(1,412,845)
Total other financing sources (uses)	<u>1,400,000</u>	<u>(1,412,845)</u>	<u>-</u>	<u>412,845</u>	<u>400,000</u>
Net changes in fund balances	(53,758)	884,390	(2,645,324)	(151,182)	(1,965,874)
Fund balances, beginning	<u>443,707</u>	<u>3,284,887</u>	<u>2,872,376</u>	<u>201,670</u>	<u>6,802,640</u>
Fund balances, ending	<u>\$ 389,949</u>	<u>\$ 4,169,277</u>	<u>\$ 227,052</u>	<u>\$ 50,488</u>	<u>\$4,836,766</u>

The accompanying notes are an integral part of this statement.

CITY OF BREAUX BRIDGE

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2009

Total net changes in fund balances at June 30, 2009 per
Statement of Revenues, Expenditures and Changes in Fund Balances \$ (1,965,874)

The change in net assets reported for governmental activities in the
statement of activities is different because:

Governmental funds report capital outlays as expenditures. However,
in the statement of activities, the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$3,254,235	
Depreciation expense for the year ended June 30, 2009	<u>(257,691)</u>	2,996,544

Governmental funds record long-term debt in the General Long-
Term Debt Account Group as opposed to recording debt activity in the
fund financial statements. However, in the statement of activities, the
debt and related expenses are reported.

Principal debt payments	\$ 140,000	
Accrued interest payable	<u>(8,723)</u>	131,277

Because governmental funds do not record fixed assets and accumulated
depreciation, any assets disposed of affect the statement of revenues,
expenditures, and changes in fund balances only with respect to the selling
price. However, in the statement of activities, a gain or loss is shown
on assets that are not fully depreciated, net of selling price.

(7,887)

Total changes in net assets at June 30, 2009 per Statement of Activities	<u>\$ 1,154,060</u>
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The accompanying notes are an integral part of this statement.

CITY OF BREAUX BRIDGE

Statement of Net Assets Proprietary Fund June 30, 2009

ASSETS

Current assets:	
Cash and interest-bearing deposits	\$ 1,523,272
Receivables:	
Accounts	297,146
Prepaid items	<u>63,393</u>
Total current assets	<u>1,883,811</u>
Noncurrent assets:	
Restricted assets -	
Cash and interest-bearing deposits	632,979
Capital assets, net of accumulated depreciation	<u>7,178,643</u>
Total noncurrent assets	<u>7,811,622</u>
Total assets	<u>9,695,433</u>

LIABILITIES

Current liabilities:	
Accounts payable and accrued expenses	157,083
Due to other funds	34,209
Retainage payable	9,875
Revenue bonds payable	105,000
Accrued interest payable	21,750
Customers' deposits	<u>165,624</u>
Total current liabilities	<u>493,541</u>
Noncurrent liabilities:	
Revenue bonds payable	<u>1,055,000</u>
Total liabilities	<u>1,548,541</u>

NET ASSETS

Invested in capital assets, net of related debt	6,123,643
Restricted for debt service	340,605
Unrestricted	<u>1,682,644</u>
Total net assets	<u>\$ 8,146,892</u>

The accompanying notes are an integral part of this statement.

CITY OF BREAUX BRIDGE

Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Fund

For the Year Ended June 30, 2009

Operating revenues:	
Charges for services	\$ 2,127,511
Miscellaneous	<u>85,830</u>
Total operating revenues	<u>2,213,341</u>
Operating expenses:	
Gas purchased	344,689
Repairs and maintenance	221,128
Salaries	495,527
Depreciation	366,775
Other operating expenses	<u>831,943</u>
Total operating expenses	<u>2,260,062</u>
Operating loss	<u>(46,721)</u>
Nonoperating revenues (expenses):	
Other revenue	957
Interest on investments	21,752
Interest on bonds	<u>(54,825)</u>
Total nonoperating expenses	<u>(32,116)</u>
Loss before transfers	<u>(78,837)</u>
Operating transfers out	<u>(400,000)</u>
Total operating transfers	<u>(400,000)</u>
Change in net assets	(478,837)
Net assets, beginning	<u>8,625,729</u>
Net assets, ending	<u>\$ 8,146,892</u>

The accompanying notes are an integral part of this statement.

CITY OF BREAUX BRIDGE

Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2009

Cash flows from operating activities:	
Receipts from customers	\$ 2,201,869
Payments to suppliers	(1,466,004)
Payments to employees	<u>(495,527)</u>
Net cash provided by operating activities	<u>240,338</u>
Cash flows from noncapital financing activities:	
Cash received from others	<u>5,317</u>
Net cash provided by noncapital financing activities	<u>5,317</u>
Cash flows from capital and related financing activities:	
Principal paid on revenue bonds	(100,000)
Interest paid on revenue bonds	(56,700)
Acquisition of capital assets	<u>(975,788)</u>
Net cash used by capital and related financing activities	<u>(1,132,488)</u>
Cash flows from investing activities:	
Interest on investments and interest-bearing deposits	<u>21,752</u>
Net decrease in cash and cash equivalents	(865,081)
Cash and cash equivalents, beginning of period	<u>3,021,332</u>
Cash and cash equivalents, end of period	<u>\$ 2,156,251</u>

(continued)

CITY OF BREAUx BRIDGE

Statement of Cash Flows
Proprietary Fund (Continued)
For the Year Ended June 30, 2009

Reconciliation of operating income to net cash provided by operating activities:	
Operating loss	\$ (46,721)
Adjustments to reconcile operating income to net cash used by operating activities:	
Depreciation	366,775
Changes in current assets and liabilities:	
Increase in accounts receivable	(11,472)
Decrease in accounts payable and accrued liabilities	(68,244)
Total adjustments	<u>287,059</u>
Net cash provided by operating activities	<u>\$ 240,338</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:	
Cash and cash equivalents, beginning of period -	
Cash - unrestricted	\$ 2,428,729
Cash - restricted	592,603
Total cash and cash equivalents	<u>3,021,332</u>
Cash and cash equivalents, end of period -	
Cash - unrestricted	1,523,272
Cash - restricted	632,979
Total cash and cash equivalents	<u>2,156,251</u>
Net decrease	<u>\$ (865,081)</u>

The accompanying notes are an integral part of this statement.

CITY OF BREAUX BRIDGE

Statement of Fiduciary Net Assets
Bond Fee Fund
June 30, 2009

ASSETS

Cash

Total assets

\$ 3,578

LIABILITIES

Due to others

Total liabilities

\$ 3,578

The accompanying notes are an integral part of this statement.

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The City of Breaux Bridge was incorporated on January 26, 1901 under the provisions of the Lawrason Act. The City operates under a Mayor-Board of Aldermen form of government.

The accompanying financial statements of the City of Breaux Bridge (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. Although the City has the option to apply FASB pronouncements issued after that date, the City has chosen not to. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Reporting Entity

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 14. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, and the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities.

The Breaux Bridge City Court and the Breaux Bridge City Marshal were determined to be component units of the City of Breaux Bridge, primary government. This determination was made on the financial interdependency criterion. Both the City Court and the City Marshal have a December 31 year-end.

The City has chosen to issue financial statements of the primary government (City) only; therefore, neither of the previously listed component units are included in the accompanying financial statements. Financial information for these component units may be obtained by contacting the respective component unit.

These primary government (City) financial statements include all funds, account groups, and organizations for which the City maintains the accounting records.

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

GASB Statement 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (City) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government.

The Breaux Bridge Housing Authority was chartered by the City of Breaux Bridge in 1958. The Authority's five-member board of directors is appointed by the Mayor and Board of Aldermen of the City of Breaux Bridge. The City's oversight responsibilities in the management, operation and financial accountability of the Authority are remote. For this reason, the Authority is not considered to be a component unit of the City and accordingly, is not included in the City's audited financial statements. The Authority's in-lieu-of-tax payment to the City was waived for 2009.

The City of Breaux Bridge has no authority over, nor is it involved in the record keeping of the Breaux Bridge Volunteer Fire Department; therefore, the Department is not considered to be a component unit of the City and accordingly, is not included in the City's audited financial statements.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, except the fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

CITY OF BREAUx BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Fund Financial Statements

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the City are classified into two categories: governmental and proprietary (enterprise). The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Several funds of the City are considered to be major funds and are described below:

Governmental Funds -

General Fund -

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund -

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Sales Tax Fund –

To account for the receipt and use of proceeds of the City's 1% sales and use tax. These taxes may only be used for improvements and operation of specific public works and recreational facilities and to fund payment of the City's public improvement bonds.

CITY OF BREAUx BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Capital Projects Funds -

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

2008 Street Construction Fund –

To account for a street improvements project. Financing is provided by the issuance of \$3,000,000 of street improvement bonds, series 2008.

Proprietary Fund -

Enterprise Fund -

The enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are derived from charges for services. All other revenues are reported as nonoperating.

The City's nonmajor funds are described below:

Recreation and Parks Operating Fund (Special Revenue Fund) -

To account for the operations and maintenance of all City-owned recreational facilities. Financing is provided by a portion of sales tax collected and miscellaneous revenue, primarily admissions and rental income.

LCDBG Street Improvements Fund –

To account for a street improvements project. Financing is provided by a community block grant of \$311,400, with any additional funds needed provided by the Sales Tax Fund.

Belle Terre Capital Projects Fund -

To account for the Belle Terre subdivision street improvement project. Financing is provided by the Sales Tax Fund.

Capital Projects Fund –

To account for the Parc Hardy building project. Financing is provided by state and local funds.

CITY OF BREAUx BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Debt Service Funds -

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

There are two debt service funds at June 30, 2009. One handles payments on the 2008 Certificate of Indebtedness. It is used to account for repayment of \$3,000,000 certificate of indebtedness, Series 2008, which is due in annual installments, plus interest, until maturity in 2023. The other handles the collection of payments in regards to a special assessment for new sewer lines for parts of the City.

Fiduciary Fund Type -

Bond Fee Fund (Agency Fund) -

The bond fee fund is used to account for the collection of bond fees and payment of these collections to various governmental agencies in accordance with applicable laws.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net assets and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Basis of Accounting

In the government-wide statement of net assets and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within 60 days after year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Equity

Cash, interest-bearing deposits, and investments

For purposes of the Statement of Net Assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the City. For the purpose of the proprietary fund Statement of Cash Flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets.

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes and franchise taxes. Business-type activities report customer's utility service receivables as their major receivables. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading/billing and the end of the month are estimated and recorded at June 30, 2009.

Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	15-40 years
Equipment and vehicles	2-30 years
Utility system and improvements	10-50 years
Infrastructure	40 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Prior to the adoption of GASB 34, it was the City's policy not to record infrastructure; therefore, the City did not have a complete listing of infrastructure. The City has opted not to do a detailed analysis of existing infrastructure. Rather, we will begin accumulating infrastructure information prospectively.

Restricted Assets

Restricted assets include cash, interest-bearing deposits, and investments of the proprietary fund that are legally restricted as to their use. The restricted assets are related to the revenue bond accounts and utility meter deposits.

CITY OF BREAUx BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of the revenue bonds payable and utility meter deposits payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

Unpaid Accumulated Vacation, Sick Pay, and Compensated Time

Unused vacation accumulated by employees is lost each year unless taken. Sick leave accumulates from year to year, but is lost upon termination. Compensated time (overtime earned but not paid) is accumulated by employees and is not lost upon termination.

Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

E. Budget and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Mayor submits, no later than 15 days prior to the beginning of each fiscal year, to the Board of Aldermen a proposed operating budget.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Mayor.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Aldermen.

F. Capitalization of Interest Expense

It is not the policy of the City of BreauX Bridge to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets.

G. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2009, the City has cash and interest-bearing deposits (book balances) totaling \$6,888,906 of which \$3,578 is attributable to the nonmajor fiduciary fund, which is not presented in the statement of net assets.

These deposits are stated at cost, which approximates market. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy, by state law, is that all deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2009 are secured as follows:

Bank balances	<u>\$ 6,939,825</u>
---------------	---------------------

At June 30, 2009 the deposits are secured as follows:

Insured	500,000
Uninsured and collateral held by pledging bank not in City's name	<u>6,439,825</u>
Total	<u>\$ 6,939,825</u>

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(3) Receivables

Receivables at June 30, 2009 of \$633,057 consist of the following:

	General	Sales Tax	Nonmajor Funds	Utility	Total
Accounts	\$ -	\$ -	\$ -	\$ 418,275	\$ 418,275
Allowance	-	-	-	(121,129)	(121,129)
Taxes:					
Sales tax	-	240,364	-	-	240,364
Property tax	20,785	-	-	-	20,785
Allowance	(20,465)	-	-	-	(20,465)
Franchise Tax	94,288	-	-	-	94,288
Special assessments	-	-	325	-	325
Fines, licenses, etc.	614	-	-	-	614
Totals	<u>\$ 95,222</u>	<u>\$ 240,364</u>	<u>\$ 325</u>	<u>\$ 297,146</u>	<u>\$ 633,057</u>

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(4) Due from Other Governmental Units

Amounts due from other governmental units at June 30, 2009 consisted of the following:

General Fund:

Amount due from the State of Louisiana for video poker receipts for May and June 2009.	\$ 93,087
Amount due from Department of Motor Vehicles for fees for June 2009.	4,752
Amount due from the Louisiana Department of Transportation for highway maintenance for January to June 2009.	4,840
Amount due from the State of Louisiana for beer tax revenues earned during fiscal year ending June 30, 2009.	7,112
Amount due from the State of Louisiana for a street improvement grant reimbursement for expenses paid in June 2009.	3,600
Amount due from the Department of Homeland Security for a emergency preparedness grant reimbursement for expenses paid in June 2009.	<u>32,584</u>
	<u>\$ 145,975</u>

CITY OF BREAUx BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(5) Capital Assets Capital asset activity for the year ended June 30, 2009 was as follows:

	Balance 07/01/08	Additions	Deletions	Balance 06/30/09
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 413,975	\$ -	\$ -	\$ 413,975
Construction in progress	147,633	2,780,806	-	2,928,439
Capital assets being depreciated:				
Buildings and improvements	1,490,247	-	-	1,490,247
Equipment and vehicles	2,103,165	307,554	(71,929)	2,338,790
Infrastructure	583,123	165,874	-	748,997
Totals	<u>4,738,143</u>	<u>3,254,234</u>	<u>(71,929)</u>	<u>7,920,448</u>
Less accumulated depreciation				
Buildings and improvements	663,380	42,533	-	705,913
Equipment and vehicles	1,204,844	165,182	(64,042)	1,305,984
Infrastructure	32,396	49,976	-	82,372
Total accumulated depreciation	<u>1,900,620</u>	<u>257,691</u>	<u>(64,042)</u>	<u>2,094,269</u>
Governmental activities, capital assets, net	<u>\$ 2,837,523</u>	<u>\$ 2,996,543</u>	<u>\$ (7,887)</u>	<u>\$ 5,826,179</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 150,200	\$ -	\$ -	\$ 150,200
Construction in progress	46,730	249,019	-	295,749
Capital assets being depreciated:				
Plant and equipment - gas	1,939,859	11,000	-	1,950,859
Plant and equipment - water system	4,963,941	295,596	-	5,259,537
Plant and equipment - sewer system	7,957,721	37,300	-	7,995,021
Autos and office equipment	420,325	38,331	(4,000)	454,656
Totals	<u>15,478,776</u>	<u>631,246</u>	<u>(4,000)</u>	<u>16,106,022</u>
Less accumulated depreciation				
Plant and equipment - gas	1,166,443	51,584	-	1,218,027
Plant and equipment - water system	3,592,719	93,908	-	3,686,627
Plant and equipment - sewer system	3,445,038	201,187	-	3,646,225
Autos and office equipment	360,404	20,096	(4,000)	376,500
Total accumulated depreciation	<u>8,564,604</u>	<u>366,775</u>	<u>(4,000)</u>	<u>8,927,379</u>
Business-type activities, capital assets, net	<u>\$ 6,914,172</u>	<u>\$ 264,471</u>	<u>\$ -</u>	<u>\$ 7,178,643</u>

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 66,033
Police	44,585
Streets	93,788
Park and recreation	<u>53,285</u>
Total depreciation expense	<u>\$ 257,691</u>

(6) Accounts, Salaries, and Other Payables

The accounts, salaries, and other payables consisted of the following at June 30, 2009:

	Governmental Activities	Business-Type Activities	Total
Accounts	\$ 230,935	\$ 138,464	\$ 369,399
Sales tax	-	2,146	2,146
Accrued payroll	27,849	16,209	44,058
Payroll withholdings	769	264	1,033
Retainage payable	121,950	9,875	131,825
Contingent liabilities	112,616	-	112,616
Accrued interest payable	8,723	21,750	30,473
Deferred revenues	<u>325</u>	<u>-</u>	<u>325</u>
Totals	<u>\$ 503,167</u>	<u>\$ 188,708</u>	<u>\$ 691,875</u>

CITY OF BREAUx BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(7) Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the City of Breaux Bridge, Louisiana for the year ended June 30, 2009. The special assessment debt and bonds relate to governmental activities and are therefore paid by the debt service fund. The revenue bonds relate to business-type activities, and the payments are made from the enterprise fund. In the past, payments on long-term debt that pertained to the City's governmental activities were made by the debt service fund, and those that pertained to the business-type activities were made by the enterprise fund.

	<u>Bonds</u>	<u>Revenue</u>	<u>Total</u>
Long-term debt at July 1, 2008	\$ 3,000,000	\$ 1,260,000	\$ 4,260,000
Debt assumed	-	-	-
Debt retired	<u>(140,000)</u>	<u>(100,000)</u>	<u>(240,000)</u>
Long-term debt at June 30, 2009	<u>\$ 2,860,000</u>	<u>\$ 1,160,000</u>	<u>\$ 4,020,000</u>

Long-term debt at June 30, 2009 is comprised of the following:

Revenue bonds

\$1,700,000 Water and Sewer
Revenue Bonds, Series 2003, due in
annual installments of \$80,000 to
\$155,000; from February 1, 2004 to
February 1, 2018; interest rate of 4.5
percent; secured by income and revenues
of the water and sewer systems.

\$ 1,160,000

Street improvement bonds

\$3,000,000 Certificate of Indebtedness,
Series 2008, due in annual installments
of \$140,000 to \$270,000; from December 1,
2008 to June 1, 2023; interest rate of 3.66
percent; payable from general revenues of
the City.

\$ 2,860,000

CITY OF BREAUx BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

The annual requirements to amortize all debt outstanding at June 30, 2009 are as follows:

Year Ending June 30,	Principal	Interest	Total
2010	\$ 255,000	\$ 156,876	\$ 411,876
2011	265,000	146,661	411,661
2012	280,000	136,038	416,038
2013	290,000	124,824	414,824
2014	310,000	109,908	419,908
2015-2019	1,605,000	390,643	1,995,643
2020-2023	1,015,000	76,403	1,091,403
Totals	<u>\$ 4,020,000</u>	<u>\$ 1,141,353</u>	<u>\$ 5,161,353</u>

(8) Dedication of Sales Tax Revenues

A sales and use tax of 1 percent was levied as of May 1, 1971 after approval by the registered voters of the City of Breaux Bridge. Revenues to be derived from the tax are dedicated to: constructing, acquiring, extending, improving, operating and maintaining waterworks, garbage and waste disposal facilities, streets and bridges, including incidental drainage in connection therewith, and recreational facilities; and purchasing and acquiring the necessary land, equipment and furnishings for the aforesaid public works, improvements and facilities. The tax can also be used to fund payment of the City's public improvement bonds.

(9) Enterprise Fund Operations

Operations of the City of Breaux Bridge Utility System consist of a gas distribution system and of water and sewerage utilities. Operating expenses which are not directly chargeable to the individual departments are allocated to the departments on the basis of number of utility customers and managerial estimates.

Operating results of the individual utilities were as follows:

	Year Ended June 30,	Charges for Services	Miscellaneous Operating Revenues	Other Operating Expenses	Operating Income (Loss)
Gas utility	2009	\$ 667,704	\$ 24,891	\$ 598,033	\$ 94,562
Water utility	2009	\$ 972,950	\$ 43,773	\$ 1,136,708	\$ (119,985)
Sewerage system	2009	\$ 486,857	\$ 17,166	\$ 525,321	\$ (21,298)

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

At June 30, 2009, the City of Breaux Bridge was furnishing utility service to the following number of customers:

Gas customers	1,298
Water customers	2,773
Sewer customers	2,864

(10) Flow of Funds; Restrictions on Use - Utilities Revenues

Under the terms of the bond indenture on outstanding 2003 Water and Sewer Revenue Bonds, these bonds are secured and payable from a pledge of the income and revenues to be derived from the operation of the Water and Sewer Systems.

All revenues must be deposited daily into a separate bank account designated as the "Sewer Revenue Fund" and said fund shall be maintained and administered in the following order of priority and for the following express purposes:

Revenues shall be applied to the payment of all reasonable and necessary expenses of operating and maintaining the Sewer System. A Sewer Revenue Bond and Interest Sinking Fund must be established and maintained by transferring from the Sewer Revenue Fund each month a sum whereby an amount sufficient to pay the succeeding principal and interest installment will accumulate by the time payment is due. The balance in this account at June 30, 2009 was \$74,953.

Upon completion of construction of improvements and extensions to the Sewer System funded by this bond issue, a Sewer Reserve Fund must be established and maintained with monthly transfers from the Sewer Revenue Fund, until such a time as there is accumulated a sum equal to the highest combined principal and interest requirement for any succeeding fiscal year. The money in the Sewer Reserve Fund is to be retained solely for the purpose of paying the principal of and the interest on bonds payable from the Sewer Revenue Bond and Interest Sinking Fund, should that fund be unable to meet such payments. The balance in this account at June 30, 2009, was \$392,375.

During the year ended June 30, 2009, the City complied with the provisions of the bond indenture as outlined above.

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(11) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables consisted of the following at June 30, 2009:

	<u>Receivables</u>	<u>Payables</u>
Major Funds:		
Governmental Funds:		
General Fund	\$ 60,699	\$ 172
Sales Tax Fund	-	1,276
Enterprise Fund:		
Utility Fund	172	34,381
Non-major Funds	-	25,042
Total	<u>\$ 60,871</u>	<u>\$ 60,871</u>

Garbage fees were not yet paid at year-end, causing the majority of the balances as noted above. A grant was received by the general fund, but was directly deposited, by the State, into the LCDBG capital projects fund. This amount was shown as a receivable and a payable, in the respective funds, at year-end. These balances are expected to be paid within the next fiscal year.

B. Interfund transfers

Interfund transfers consisted of the following at June 30, 2009:

	<u>Interfund Transfers In</u>	<u>Interfund Transfers Out</u>
Major Funds:		
Governmental Funds:		
General Fund	\$ 1,400,000	\$ -
Sales Tax Special Revenue Fund	-	1,412,845
Enterprise Fund:		
Utility Fund	-	400,000
Non-major Funds	412,845	-
Total	<u>\$ 1,812,845</u>	<u>\$ 1,812,845</u>

Transfers made to the general fund are for the normal operations of the City. The amounts each fund will transfer are calculated as part of the budget preparation process. These amounts reflect each funds' proportionate share of expenses paid out of the general fund. Additional transfers made from the sales tax special revenue fund are for recreational facilities and funding payment of the bonds, which are noted as transfers made to the non-major funds.

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(12) Ad Valorem Taxes

For the year ended June 30, 2009, taxes of 4.75 mills were levied on property with assessed valuations totaling \$44,976,398 and were dedicated as follows:

General corporate purposes	4.75 mills
----------------------------	------------

Total taxes levied were \$213,641 of which \$20,465 had not been collected at June 30, 2009. The taxes are levied and assessed on or about October and November, respectively, of each year.

Tax bills are mailed in December, become liens on December 31, and are delinquent if unpaid as of March 1. The majority of collections occur in the months of December through February.

(13) Retirement Systems

Plan Description: The City of BreauX Bridge contributes to the Municipal Police Employers' Retirement System, a cost-sharing multiple employer defined benefit pension plan administered by the Municipal Police Employers' Retirement System, a public corporation created in accordance with the provisions of Louisiana Revised Statute 11:2211-11:2233 to provide retirement, disability and survivor benefits to municipal police officer members throughout the State of Louisiana. All full-time police department employees engaged in law enforcement are required to participate in the System. The System issues an annual publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Municipal Police Employers' Retirement System of Louisiana, 8401 United Plaza Blvd., Baton Rouge, Louisiana 70809-2250, or by calling (504) 929-7411.

Funding Policy: Plan members are required by state statute to contribute 7.5% of their annual covered salary and the City of BreauX Bridge is required to contribute at an actuarially determined rate. The current rate is 9.5% of annual covered payroll. The contribution requirements of plan members and the City of BreauX Bridge are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of BreauX Bridge's contributions to the System for the years ended June 30, 2009, 2008 and 2007 were \$22,307, \$38,475, and \$40,418, respectively, equal to the required contributions for each year.

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(14) Restricted Assets - Utility Fund

Restricted assets were composed of checking and savings accounts at June 30, 2009 and were restricted as follows:

Bond reserve, sinking, and contingency funds	\$ 467,328
Customers' deposits	<u>165,651</u>
	<u>\$ 632,979</u>

(15) Compensation of City Officials

A detail of compensation paid to City officials for the year ended June 30, 2009 follows:

Jack Dale Delhomme, Mayor	<u>\$ 55,000</u>
Aldermen:	
Howard Alexander	\$ 10,100
Glenn Michael Angelle	10,100
Gary Champagne	10,100
Albert Menard	10,100
Terry Thibodeaux	<u>10,100</u>
Total	<u>\$ 50,500</u>
Randy Angelle, Judge	<u>\$ 6,600</u>
Jerry Frederick, City Marshal	<u>\$ 16,800</u>

(16) Risk Management

The City is exposed to risks of loss in the areas of general and auto liability, property hazards, health care, and workers' compensation. Those risks are handled by purchasing commercial insurance. There have been no significant reductions in insurance coverage during the current fiscal year nor have settlements exceeded coverage during the current year or preceding two years.

CITY OF BREAUX BRIDGE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(17) Deferred Compensation Plan

Certain employees of the City participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

(18) On-behalf Payments

The City has recognized \$60,818 as a revenue and an expenditure for on-behalf salary payments made by the state of Louisiana.

(19) Contingencies

The City has determined that \$112,616 is a reasonable estimate of potential liability related to claims filed. Accordingly, \$112,616 has been accrued at June 30, 2009 and is reflected in accounts, salaries and other payables.

(20) Deficit Fund Balance

A deficit undesignated fund balance of \$2,512 exists in the Capital Projects Fund. The deficit results from the accrual of expenditures without accruing interfund transfers for reimbursement of the expenditures. The City records interfund transfers only when they are made.

**REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF BREAUx BRIDGE
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 583,400	\$ 604,500	\$ 602,212	\$ (2,288)
Licenses and permits	390,000	373,000	430,799	57,799
Grants	90,000	328,000	282,895	(45,105)
Intergovernmental	558,750	612,500	678,379	65,879
Charges for services	625,000	653,000	658,753	5,753
Fines - City Court	88,000	110,000	109,906	(94)
Miscellaneous	54,300	57,080	102,701	45,621
Total revenues	<u>2,389,450</u>	<u>2,738,080</u>	<u>2,865,645</u>	<u>127,565</u>
Expenditures:				
General government	1,303,857	1,466,082	1,473,413	(7,331)
Streets and bridges	480,100	643,450	437,678	205,772
Sanitation	634,000	666,000	672,091	(6,091)
Public safety - Police	1,421,750	1,407,565	1,272,026	135,539
Capital outlay	184,000	279,000	464,195	(185,195)
Total expenditures	<u>4,023,707</u>	<u>4,462,097</u>	<u>4,319,403</u>	<u>142,694</u>
Deficiency of revenues over expenditures	<u>(1,634,257)</u>	<u>(1,724,017)</u>	<u>(1,453,758)</u>	<u>270,259</u>
Other financing sources: (uses):				
Transfer from Sales Tax Fund	1,000,000	1,300,000	1,000,000	(300,000)
Transfer from Utility Fund	700,000	300,000	400,000	100,000
Total other financing sources	<u>1,700,000</u>	<u>1,600,000</u>	<u>1,400,000</u>	<u>(200,000)</u>
Net change in fund balances	65,743	(124,017)	(53,758)	70,259
Fund balance, beginning	<u>349,511</u>	<u>443,707</u>	<u>443,707</u>	<u>-</u>
Fund balance, ending	<u>\$ 415,254</u>	<u>\$ 319,690</u>	<u>\$ 389,949</u>	<u>\$ 70,259</u>

CITY OF BREAUX BRIDGE
Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,865,500	\$ 2,165,000	\$2,328,595	\$ 163,595
Miscellaneous - interest and other	<u>60,000</u>	<u>19,000</u>	<u>15,603</u>	<u>(3,397)</u>
Total revenues	<u>1,925,500</u>	<u>2,184,000</u>	<u>2,344,198</u>	<u>160,198</u>
Expenditures:				
General government				
Collection fees	28,500	35,000	35,129	(129)
Salaries	5,000	5,000	4,992	8
Payroll taxes	398	415	391	24
Pension	75	75	48	27
Computer expense	300	800	1,859	(1,059)
Miscellaneous	700	2,700	2,041	659
Legal and professional fees	<u>2,750</u>	<u>3,000</u>	<u>2,503</u>	<u>497</u>
Total expenditures	<u>37,723</u>	<u>46,990</u>	<u>46,963</u>	<u>27</u>
Excess of revenues over expenditures	<u>1,887,777</u>	<u>2,137,010</u>	<u>2,297,235</u>	<u>160,225</u>
Other financing uses:				
Transfer out to General Fund	(1,000,000)	(1,300,000)	(1,000,000)	300,000
Transfer out to Recreation & Parks				
Operating Fund	(250,000)	(250,000)	(160,000)	90,000
Transfer out to Utility Fund	(700,000)	(300,000)	-	300,000
Transfer out to 08 St Imp Debt Service	(253,000)	-	-	-
Transfer out to Excess Rev Bond Sink Fd 5	-	(252,545)	(252,845)	(300)
Transfer out to Capital Projects	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing uses	<u>(2,303,000)</u>	<u>(2,102,545)</u>	<u>(1,412,845)</u>	<u>689,700</u>
Net change in fund balances	(415,223)	34,465	884,390	849,925
Fund balance, beginning	<u>2,783,141</u>	<u>3,284,887</u>	<u>3,284,887</u>	<u>-</u>
Fund balance, ending	<u>\$ 2,367,918</u>	<u>\$ 3,319,352</u>	<u>\$4,169,277</u>	<u>\$ 849,925</u>

OTHER SUPPLEMENTARY INFORMATION

CITY OF BREAUX BRIDGE
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Taxes:			
General alimony	\$ 202,000	\$ 205,856	\$ 3,856
Franchise taxes	<u>402,500</u>	<u>396,356</u>	<u>(6,144)</u>
Total taxes	<u>604,500</u>	<u>602,212</u>	<u>(2,288)</u>
Licenses and permits	<u>373,000</u>	<u>430,799</u>	<u>57,799</u>
Federal grants	175,000	127,489	(47,511)
State grants	<u>153,000</u>	<u>155,406</u>	<u>2,406</u>
Total grants	<u>328,000</u>	<u>282,895</u>	<u>(45,105)</u>
Intergovernmental:			
State revenue sharing	13,000	12,953	(47)
Beer tax	23,000	24,224	1,224
Video poker	450,000	518,592	68,592
Motor vehicle tax	60,000	61,792	1,792
On behalf payments	<u>66,500</u>	<u>60,818</u>	<u>(5,682)</u>
Total intergovernmental	<u>612,500</u>	<u>678,379</u>	<u>65,879</u>
Charges for services - garbage	<u>653,000</u>	<u>658,753</u>	<u>5,753</u>
Fines - City Court	<u>110,000</u>	<u>109,906</u>	<u>(94)</u>
Miscellaneous:			
Interest	1,600	1,537	(63)
Crawfish festival	15,000	32,680	17,680
Other	<u>40,480</u>	<u>68,484</u>	<u>28,004</u>
Total miscellaneous	<u>57,080</u>	<u>102,701</u>	<u>45,621</u>
Total revenues	<u>\$2,738,080</u>	<u>\$2,865,645</u>	<u>\$ 127,565</u>

CITY OF BREAUx BRIDGE
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2009

	Budget	Actual	Variance Positive (Negative)
Current:			
General government -			
Salaries and wages	\$ 360,757	\$ 355,008	\$ 5,749
Payroll taxes	34,700	43,806	(9,106)
Retirement	6,000	4,941	1,059
City Court	144,850	150,166	(5,316)
Legal and professional	49,500	44,603	4,897
National Guard unit	1,200	1,200	-
St. Martin Parish veteran's officer	1,200	1,068	132
Telephone	12,600	12,478	122
Publishing minutes and advertising	4,000	3,879	121
Office supplies and expense	30,000	33,366	(3,366)
Electricity	19,000	16,054	2,946
Louisiana Municipal Association dues	1,275	1,275	-
Other dues	700	584	116
Preparation of tax roll	5,600	5,624	(24)
General insurance	85,000	27,246	57,754
Group insurance	260,000	269,888	(9,888)
Schools and conventions	6,000	4,808	1,192
Building maintenance	20,000	26,611	(6,611)
Crawfish festival expense	4,500	22,959	(18,459)
Miscellaneous	147,000	185,072	(38,072)
Economic development	71,200	70,562	638
Hurricane Gustav cleanup	190,000	181,801	8,199
Planning and zoning	11,000	10,414	586
Total general government	<u>1,466,082</u>	<u>1,473,413</u>	<u>(7,331)</u>
Streets and bridges -			
Salaries and wages	96,000	109,283	(13,283)
Payroll taxes	7,650	8,518	(868)
Retirement	300	180	120
Shells, gravel and other material	15,000	8,023	6,977
Supplies	30,000	31,446	(1,446)
Motor equipment repairs and maintenance	36,000	32,539	3,461
Fuel	22,000	20,799	1,201
Electricity (street lights)	105,000	101,632	3,368
General insurance	75,000	65,941	9,059
Grass spraying and cutting	2,500	379	2,121
Engineering	15,000	11,770	3,230
Catch basin and sidewalks	3,000	1,964	1,036
Drainage work	25,000	-	25,000
Bayou Teche Bridge	166,000	-	166,000
Miscellaneous	<u>45,000</u>	<u>45,204</u>	<u>(204)</u>
Total streets and bridges	<u>643,450</u>	<u>437,678</u>	<u>205,772</u>

(continued)

CITY OF BREAUX BRIDGE
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Sanitation:			
Garbage contract	\$ 666,000	\$ 672,091	\$ (6,091)
Total sanitation	<u>666,000</u>	<u>672,091</u>	<u>(6,091)</u>
Public safety - police:			
Salaries and wages	742,265	723,861	18,404
Retirement	32,000	23,759	8,241
Payroll taxes	61,500	55,540	5,960
Automobile repairs and expense	52,500	41,863	10,637
Office supplies and expense	54,000	53,882	118
Jail supplies and expense	16,000	13,383	2,617
Electricity	16,000	12,590	3,410
Telephone	21,000	20,845	155
On behalf payments	66,500	60,818	5,682
General insurance	95,000	94,336	664
Gasoline	50,000	53,050	(3,050)
Uninsured liability claims	50,000	15,270	34,730
Crime lab	8,000	-	8,000
Task Force	100,000	70,095	29,905
Miscellaneous	<u>42,800</u>	<u>32,734</u>	<u>10,066</u>
Total public safety - police	<u>1,407,565</u>	<u>1,272,026</u>	<u>135,539</u>
Capital outlay -			
Autos and equipment	<u>279,000</u>	<u>464,195</u>	<u>(185,195)</u>
Total capital outlay	<u>279,000</u>	<u>464,195</u>	<u>(185,195)</u>
Total expenditures	<u>\$ 4,462,097</u>	<u>\$4,319,403</u>	<u>\$ 142,694</u>

CITY OF BREAUX BRIDGE
Parks & Recreation Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2009

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Miscellaneous -			
Other	\$ 1,925	\$ 4,393	\$ 2,468
Total revenues	<u>1,925</u>	<u>4,393</u>	<u>2,468</u>
Expenditures:			
Current:			
Culture and recreation -			
Salaries and wages	69,890	77,034	(7,144)
Payroll taxes	5,600	4,809	791
Pension	1,600	491	1,109
Repairs and supplies	70,000	71,639	(1,639)
Electricity	13,000	11,318	1,682
Insurance	46,000	23,744	22,256
Group insurance	7,500	7,265	235
Rent	9,000	-	9,000
Miscellaneous	10,037	25,826	(15,789)
Capital outlay	<u>10,000</u>	<u>9,233</u>	<u>767</u>
Total expenditures	<u>242,627</u>	<u>231,359</u>	<u>11,268</u>
Deficiency of revenues over expenditures	<u>(240,702)</u>	<u>(226,966)</u>	<u>13,736</u>
Other financing sources:			
Operating transfers in	<u>250,000</u>	<u>160,000</u>	<u>(90,000)</u>
Total other financing sources	<u>250,000</u>	<u>160,000</u>	<u>(90,000)</u>
Net change in fund balances	9,298	(66,966)	(76,264)
Fund balance, beginning	<u>88,591</u>	<u>88,591</u>	<u>-</u>
Fund balance, ending	<u>\$ 97,889</u>	<u>\$ 21,625</u>	<u>\$ (76,264)</u>

**NON MAJOR
FUND DESCRIPTIONS**

SPECIAL REVENUE FUND

Recreation and Parks Operating Fund -

To account for the operations and maintenance of all City-owned recreational facilities. Financing is provided by a portion of sales tax collected and miscellaneous revenue, primarily concessions and rental income.

CAPITAL PROJECTS FUND

LCDBG Street Improvements Fund -

To account for a street improvements project. Financing is provided by a community block grant of \$311,400, with any additional funds needed provided by the Sales Tax Fund.

Belle Terre Capital Projects Fund -

To account for the Belle Terre subdivision street improvement project. Financing is provided by the Sales Tax Fund.

Capital Projects Fund -

To account for the Parc Hardy building project. Financing is provided by state and local funds.

DEBT SERVICE FUNDS

To account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

CITY OF BREAUX BRIDGE

Balance Sheet -
Nonmajor Governmental Funds
June 30, 2009

	Recreation and Parks Special Revenue	Belle Terre Capital Projects Fund	Debt Service Fund	Capital Projects Fund	LCDBG Capital Projects Fund	Series 2008 Debt Service	Total
ASSETS							
Cash	\$ 28,347	\$ 15	\$ 1,087	\$ 10,808	\$ 54,899	\$ 173	\$ 95,329
Receivables							
Special assessments	-	-	325	-	-	-	325
Prepaid items	<u>10,311</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,311</u>
Total assets	<u>\$ 38,658</u>	<u>\$ 15</u>	<u>\$ 1,412</u>	<u>\$ 10,808</u>	<u>\$ 54,899</u>	<u>\$ 173</u>	<u>\$ 105,965</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued expenditures	\$ 16,790	\$ -	\$ -	\$ 13,320	\$ -	\$ -	\$ 30,110
Due to other funds	243	-	-	-	24,799	-	25,042
Deferred property assessments	<u>-</u>	<u>-</u>	<u>325</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>325</u>
Total liabilities	<u>17,033</u>	<u>-</u>	<u>325</u>	<u>13,320</u>	<u>24,799</u>	<u>-</u>	<u>55,477</u>
Fund balances (deficit):							
Reserved for prepaid items	10,311	-	-	-	-	-	10,311
Reserved for debt service	-	-	1,087	-	-	173	1,260
Unreserved, undesignated	<u>11,314</u>	<u>15</u>	<u>-</u>	<u>(2,512)</u>	<u>30,100</u>	<u>-</u>	<u>38,917</u>
Total fund balances (deficit)	<u>21,625</u>	<u>15</u>	<u>1,087</u>	<u>(2,512)</u>	<u>30,100</u>	<u>173</u>	<u>50,488</u>
Total liabilities and fund balances (deficit)	<u>\$ 38,658</u>	<u>\$ 15</u>	<u>\$ 1,412</u>	<u>\$ 10,808</u>	<u>\$ 54,899</u>	<u>\$ 173</u>	<u>\$ 105,965</u>

CITY OF BREAUX BRIDGE

Statement of Revenues, Expenditures, and Changes in Fund Balances-
Nonmajor Governmental Funds
For the Year Ended June 30, 2009

	Recreation and Parks Special Revenue	Belle Terre Capital Projects Fund	Debt Service Fund	Capital Projects Fund	LCDBG Capital Projects Fund	Series 2008 Debt Service	Total
Revenues:							
Miscellaneous	\$ 4,393	\$ -	\$ 28	\$ 1,076	\$ -	\$ -	\$ 5,497
Special assessment revenues	-	-	325	-	-	-	325
Grant	-	-	-	28,240	-	-	28,240
Total revenues	<u>4,393</u>	<u>-</u>	<u>353</u>	<u>29,316</u>	<u>-</u>	<u>-</u>	<u>34,062</u>
Expenditures:							
Current -							
Culture and recreation	222,126	-	-	-	-	-	222,126
Debt service	-	-	-	-	-	252,672	252,672
Capital outlay	<u>9,233</u>	<u>-</u>	<u>-</u>	<u>114,058</u>	<u>-</u>	<u>-</u>	<u>123,291</u>
Total expenditures	<u>231,359</u>	<u>-</u>	<u>-</u>	<u>114,058</u>	<u>-</u>	<u>252,672</u>	<u>598,089</u>
Excess (deficiency) of revenues over expenditures	<u>(226,966)</u>	<u>-</u>	<u>353</u>	<u>(84,742)</u>	<u>-</u>	<u>(252,672)</u>	<u>(564,027)</u>
Other financing sources:							
Transfers in	<u>160,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>252,845</u>	<u>412,845</u>
Total other financing sources	<u>160,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>252,845</u>	<u>412,845</u>
Net changes in fund balances	<u>(66,966)</u>	<u>-</u>	<u>353</u>	<u>(84,742)</u>	<u>-</u>	<u>173</u>	<u>(151,182)</u>
Fund balances, beginning	<u>88,591</u>	<u>15</u>	<u>734</u>	<u>82,230</u>	<u>30,100</u>	<u>-</u>	<u>201,670</u>
Fund balances (deficit), ending	<u>\$ 21,625</u>	<u>\$ 15</u>	<u>\$ 1,087</u>	<u>\$ (2,512)</u>	<u>\$ 30,100</u>	<u>\$ 173</u>	<u>\$ 50,488</u>

CITY OF BREAUX BRIDGE, LOUISIANA
Enterprise Fund
Utility Fund

Statement of Revenues, Expenses and Changes in Retained Earnings
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating revenues:			
Charges for services -			
Utility sales	\$ 2,085,000	\$ 2,093,290	\$ 8,290
Installation and reconnection charges	32,000	34,221	2,221
Miscellaneous	79,900	85,830	5,930
Total operating revenues	<u>2,196,900</u>	<u>2,213,341</u>	<u>16,441</u>
Operating expenses:			
Direct expenses	1,666,000	1,664,804	1,196
Allocated expenses	639,100	595,258	43,842
Total operating expenses	<u>2,305,100</u>	<u>2,260,062</u>	<u>45,038</u>
Operating income (loss)	<u>(108,200)</u>	<u>(46,721)</u>	<u>61,479</u>
Nonoperating revenues (expenses):			
Other revenue	120	957	837
Interest on investments	22,000	21,752	(248)
Interest on bonds	(56,700)	(54,825)	1,875
Total nonoperating expenses	<u>(34,580)</u>	<u>(32,116)</u>	<u>2,464</u>
Loss before transfers	<u>(142,780)</u>	<u>(78,837)</u>	<u>63,943</u>
Operating transfers in	300,000	-	(300,000)
Operating transfers out	(300,000)	(400,000)	(100,000)
Total operating transfers	<u>-</u>	<u>(400,000)</u>	<u>(400,000)</u>
Net loss	(142,780)	(478,837)	(336,057)
Retained earnings, beginning of year	<u>8,625,729</u>	<u>8,625,729</u>	<u>-</u>
Retained earnings, end of year	<u>\$ 8,482,949</u>	<u>\$ 8,146,892</u>	<u>\$ (336,057)</u>

<u>Gas</u>	<u>Water System</u>	<u>Sewerage System</u>
\$ 658,235	\$ 958,244	\$ 476,811
9,469	14,706	10,046
<u>24,891</u>	<u>43,773</u>	<u>17,166</u>
<u>692,595</u>	<u>1,016,723</u>	<u>504,023</u>
472,478	800,592	391,734
<u>125,555</u>	<u>336,116</u>	<u>133,587</u>
<u>598,033</u>	<u>1,136,708</u>	<u>525,321</u>
<u>\$ 94,562</u>	<u>\$ (119,985)</u>	<u>\$ (21,298)</u>

CITY OF BREAUx BRIDGE, LOUISIANA
Utility Fund

Statement of Operating Expenses - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2009

	Budget	Actual	Variance Positive (Negative)
Direct expenses:			
Gas purchased	\$ 350,000	\$ 344,689	\$ 5,311
System repairs and maintenance	219,000	221,128	(2,128)
Electricity	117,300	98,519	18,781
Plant supplies	149,000	154,826	(5,826)
General insurance	71,500	70,163	1,337
Depreciation	343,000	346,680	(3,680)
Sewer feasibility study	40,600	40,600	-
Testing - solid waste	7,500	7,037	463
Engineering	11,500	11,885	(385)
Salaries	275,000	292,226	(17,226)
Gas leak survey	5,000	4,676	324
Meter reading	44,600	41,537	3,063
Miscellaneous	32,000	30,838	1,162
Total direct expenses	<u>1,666,000</u>	<u>1,664,804</u>	<u>1,196</u>
Allocated expenses:			
Salaries	210,000	203,301	6,699
Group insurance	108,500	108,374	126
Pension	4,200	2,511	1,689
Bad debt expense	20,000	-	20,000
Payroll taxes	38,000	36,459	1,541
Office supplies and expense	64,000	93,174	(29,174)
Legal and accounting fees	19,000	18,010	990
General insurance	56,000	39,601	16,399
Maintenance and supplies	54,500	23,554	30,946
Meter reading	6,500	6,384	116
Computer billing expense	8,000	12,995	(4,995)
Depreciation	18,000	20,095	(2,095)
Miscellaneous	32,400	30,800	1,600
Total allocated expenses	<u>639,100</u>	<u>595,258</u>	<u>43,842</u>
Total operating expenses	<u>\$ 2,305,100</u>	<u>\$2,260,062</u>	<u>\$ 45,038</u>

<u>Gas</u>	<u>Water System</u>	<u>Sewerage System</u>
\$ 344,689	\$ -	\$ -
33,169	117,198	70,761
14,778	52,215	31,526
-	154,826	-
10,524	37,186	22,453
52,002	183,740	110,938
-	-	40,600
-	-	7,037
1,783	6,299	3,803
-	210,768	81,458
4,676	-	-
6,231	22,015	13,291
<u>4,626</u>	<u>16,345</u>	<u>9,867</u>
<u>472,478</u>	<u>800,592</u>	<u>391,734</u>
71,182	107,750	24,369
13,005	72,611	22,758
301	1,682	528
-	-	-
4,375	24,428	7,656
13,976	49,382	29,816
2,702	9,545	5,763
5,940	20,989	12,672
3,533	12,484	7,537
958	3,384	2,042
1,949	6,887	4,159
3,014	10,650	6,431
<u>4,620</u>	<u>16,324</u>	<u>9,856</u>
<u>125,555</u>	<u>336,116</u>	<u>133,587</u>
<u>\$ 598,033</u>	<u>\$ 1,136,708</u>	<u>\$ 525,321</u>

CITY OF BREAUx BRIDGE, LOUISIANA
Utility Fund

Schedule of Changes in Assets Restricted for Revenue Bond Debt Service
For the Year Ended June 30, 2009

	Bond and Interest Redemption	Reserve	Contingency	Total
Cash and savings, July 1, 2008	\$ 74,075	\$ 177,058	\$ 182,426	\$ 433,559
Increases:				
Transfer from operating account	157,200	29,858	-	187,058
Interest earned on investments	378	1,589	1,444	3,411
	<u>157,578</u>	<u>31,447</u>	<u>1,444</u>	<u>190,469</u>
Decreases:				
Principal payments	(100,000)	-	-	(100,000)
Interest payments	(56,700)	-	-	(56,700)
	<u>(156,700)</u>	<u>-</u>	<u>-</u>	<u>(156,700)</u>
Cash and savings, June 30, 2009	<u>\$ 74,953</u>	<u>\$ 208,505</u>	<u>\$ 183,870</u>	<u>\$ 467,328</u>

**COMPLIANCE
INTERNAL CONTROL
AND
OTHER INFORMATION**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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The Honorable Jack Dale Delhomme, Mayor
and Members of the Board of Aldermen
City of Breaux Bridge, Louisiana

We have audited the primary government financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Breaux Bridge, Louisiana, as of and for the year ended June 30, 2009, which collectively comprise the City of Breaux Bridge, Louisiana's basic primary government financial statements and have issued our report thereon dated November 12, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Breaux Bridge, Louisiana's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Breaux Bridge, Louisiana's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Breaux Bridge, Louisiana's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Breaux Bridge, Louisiana's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more

than a remote likelihood that a misstatement of the City of Breaux Bridge, Louisiana's financial statements that is more than inconsequential will not be prevented or detected by the City of Breaux Bridge, Louisiana's internal control. We consider the deficiency (item 09-1) described in the accompanying schedule of prior and current year audit findings and management's corrective action plan to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Breaux Bridge, Louisiana's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider the significant deficiency described above to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Breaux Bridge, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted a certain matter that we reported to management of the City of Breaux Bridge, Louisiana in a separate letter dated November 12, 2009.

The City of Breaux Bridge, Louisiana's response to the findings identified in our audit is described in the accompanying schedule of prior and current year audit findings and management's corrective action plan. We did not audit the City of Breaux Bridge, Louisiana's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within the organization, City Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
November 12, 2009

CITY OF BREAUx BRIDGE, LOUISIANA

Schedule of Prior and Current Year Audit Findings and
Management's Corrective Action Plan
Year Ended June 30, 2009

I. Prior Year Findings:

Internal Control Over Financial Reporting

08-1 – Inadequate Segregation of Accounting Functions

Finding: Due to the small number of employees, the City did not have adequate segregation of functions within the accounting system.

Status: Unresolved. See item 09-1.

Compliance

There were no findings that were required to be reported at June 30, 2009.

Management Letter Items

08-2 – Bond Fee Fund

Finding: The Bond Fee Fund monies collected by the Breaux Bridge Police Department are not being handled properly:

- This fund began in the fiscal year ended June 30, 2005.
- The 2% fee collected should be disbursed to the proper entities 60 days after collection.
- The \$15 fee collected should be disbursed quarterly on all guilty cases.
- The \$12 fee collected has no particular time frame for disbursement.
- Since inception of this fund, no \$15 fee collections have been disbursed.
- Disbursements were made for the 2% and \$12 fee collections during this fiscal year
- Amounts received for these fees are not deposited timely (only five times this year).

The City and Police Department need to begin making timely deposits. In addition, the disbursement of these fees needs to be done in a timely fashion.

Status: Partially resolved. See item 09-2.

(continued)

CITY OF BREAUX BRIDGE, LOUISIANA

Schedule of Prior and Current Year Audit Findings and Management's Corrective Action Plan (continued) Year Ended June 30, 2009

II. Current Year Findings and Management's Corrective Action Plan:

Internal Control Over Financial Reporting

09-1 – Inadequate Segregation of Accounting Functions

Finding: Due to the small number of employees, the City did not have adequate segregation of functions within the accounting system.

Management's Corrective Action Plan: Mr. Jack Dale Delhomme, Mayor, determined that it is not cost effective to achieve complete segregation of duties within the accounting department. No plan is considered necessary.

Compliance

There are no findings that are required to be reported at June 30, 2009.

Management Letter Items

09-2 – Bond Fee Fund

Finding: The Bond Fee Fund monies collected by the Breaux Bridge Police Department are not being handled properly:

- This fund began in the fiscal year ended June 30, 2005.
- The 2% fee collected should be disbursed to the proper entities 60 days after collection.
- The \$15 fee collected should be disbursed quarterly on all guilty cases.
- The \$12 fee collected has no particular time frame for disbursement.
- Amounts received for these fees are not deposited timely (only nine times this year).
- Disbursements are not being made timely.

The City and Police Department need to begin making timely deposits. In addition, the disbursement of these funds needs to be done in a timely fashion.

Managements Corrective Action Plan: Sergeant Myra Theriot with the Breaux Bridge Police Department will turn over the accounting of the mentioned fees to the Breaux Bridge City Court (a component unit of the City of Breaux Bridge, Louisiana). This action will take place January 1, 2010, and will be fully implemented by fiscal year ended June 30, 2010.

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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The Honorable Jack Dale Delhomme, Mayor
and Members of the Board of Aldermen
City of Breaux Bridge
Breaux Bridge, Louisiana

We have audited the financial statements of the City of Breaux Bridge for the year ended June 30, 2009 and submitted our report to you dated November 12, 2009. We noted a certain matter of concern as follows:

The Bond Fee Fund monies collected by the Breaux Bridge Police Department are not being handled properly:

- This fund began in the fiscal year ended June 30, 2005.
- The 2% fee collected should be disbursed to the proper entities 60 days after collection.
- The \$15 fee collected should be disbursed quarterly on all guilty cases.
- The \$12 fee collected has no particular time frame for disbursement.
- Amounts received for these fees are not deposited timely (only nine times this year).
- Disbursements are not being made timely.

The City and Police Department need to begin making timely deposits. In addition, the disbursement of these fees needs to be done in a timely fashion.

Should you have any questions or need additional information regarding this matter, please feel free to contact us.

Kolder, Champagne, Slaven, & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
November 12, 2009

Member of:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Member of:
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS